

CEO MEETS LANDOWNERS ON MATL ROUTE

By Karl Puckett

DUTTON — Jerry McRae didn't mince words when talking about a high-voltage transmission line that will cross his land near here.

"You're going to have a hell of a time building a power line in this community," McRae said.

His audience included Johan van't Hof, the CEO of Toronto-based Tonbridge Power Inc., the company planning to build the Montana Alberta Tie Line, the state's first major new transmission line in decades.

For three years, Tonbridge officials sat through long public hearings on the project from Great Falls to Conrad, but the venue on Wednesday was McRae's turf, the family homestead on wide-open wheat and barley fields.

The dialogue was direct and personal.

"Jerry, how can I help you going forward here?" said van't Hof while seated in McRae's living room.

Canadian and U.S. government regulators have approved the 214-mile, 230-kilovolt transmission line that would connect the electric grids of Alberta and Montana at Great Falls and Lethbridge, with the U.S. Department of Energy issuing the final permit Monday.

Tonbridge must still negotiate right-of-way agreements with many of the 400 Montanans and Albertans who own land in the path of the line.

Not every landowner, including McRae, is ready to sign on the dotted line.

"I don't think it's going to be easy," van't Hof said after meeting with McRae. "I think a lot of it is just sitting and listening."

Hailed as an economic boon to the area — three wind farm developers have secured the line's 600 megawatts of capacity — talks over the MATL line have switched from public meeting halls to kitchen tables and living rooms.

Gov. Brian Schweitzer formed a landowner liaison committee to iron out the remaining concerns of some landowners. The committee, which includes van't Hof, hit the road Wednesday to talk with a handful of Dutton-area residents who have been vocal throughout the regulatory process.

Construction on the line is scheduled to begin in March.

"It can't be built without eminent domain in this community right now," McRae warned right off the bat.

Eminent domain is the taking of private land for a public use.

"I'm here to say, 'I don't want to use it,'" van't Hof told McRae.

The CEO said he was embarrassed by the "lack of style" of the agents the publicly traded company originally hired to negotiate right-of-way access, which some Montanans, including McRae, said were heavy handed.

Those agents have long since been replaced, van't Hof said, promising to personally try to resolve any remaining issues.

"You can be commercial and gracious," he said.

The McRae family has been through this before. Forty years ago, the former Montana Power Co. took land in the area for a power transmission project.

McRae still has a faded 1969 newspaper clipping of a story on landowners who fought that project all the way to the state Supreme Court, only to lose. He said he's worried about being "eminent domained" again if he and Tonbridge can't agree to tweaks in the line's route across his land, as well as terms of compensation.

"There's a history of just smashing it through your lands," van't Hof said, referring to past transmission projects.

However, Tonbridge, in setting aside \$7.2 million for landowners, is breaking from past precedent, he said. The \$7.2 million is 3.5 percent of the \$205 million project, which includes \$140 million in remaining construction costs, van't Hof said.

One-time payments will be offered for 105-foot-right-of-way easements, in addition to annual pole rental. Landowners also will be paid for construction-related crop damage.

The power line and its 1,480 poles would cross land owned by 300 Montanans in Cascade, Teton, Glacier and Pondera counties, and the property of 113 Albertans. To date, agreements have been reached with 86 Montana landowners and 21 percent of Alberta landowners along the route.

"I visited with Johan (van't Hof) a couple of times," said Mike Koepke, a farmer 17 1/2 miles northeast of Cut Bank.

Koepke signed an easement agreement with MATL allowing power poles to cross 1 1/2 miles of his land and Koepke Farms, which is owned by his parents.

"They've been very cooperative from what I've seen," he said of Tonbridge.

Koepke, who also is executive director of the Cut Bank Development Corp., said the transmission line's poles will be inconvenient to farm around but "we have to have transmission lines in order to bring wind generation to Toole County and Glacier County."

On Wednesday, van't Hof was joined by other members of the landowner liaison committee, including Cascade County Commissioner Peggy Beltrone, a Democrat; state Sen. Jerry Black, R-Shelby; and Thomas Kaiserski of the state Department of Commerce.

The group first stopped at McCrae's farm and then made two additional stops. It has no additional meetings scheduled but will meet with any landowners who have concerns, Kaiserski said.

"The landowners, throughout the day, made points they are not opponents (of MATL), but that they have legitimate business interests that have to be resolved," Beltrone said.

Some of the farm fields that soon will sprout power poles could be seen out a picture window in McCrae's living room, where the 54-year-old McCrae, the fourth generation to

live here, sat on the couch with a legal pad, sometimes kneeling on the carpet to point out locations on pink- and green-highlighted maps on a coffee table.

"It's too many poles," McCrae said.

Under the chosen route, 37 poles, each 90-feet tall, would be erected on his property.

The transmission line will lead to profitable wind farm development at other locations, and bring Tonbridge a \$24 million annual return, McCrae said. Landowners who facilitate that economic development by allowing transmission poles to be erected on their land should be justly compensated, he added.

McCrae also criticized the state Department of Environmental Quality, which approved the route.

McCrae and the 52-year-old van't Hof — an accomplished organist and University of Toronto teacher when he's not running an energy infrastructure company — talked for two hours.

"Let me understand the impacts better," van't Hof said at one point, rising from his chair and stooping for a closer look at the map.

Following the meeting, McCrae seemed to be willing to work with van't Hof.

"I think you and I can do something," McCrae told the CEO.